

PACE (PAKISTAN) LIMITED

CONDENSED INTERIM FINANCIAL REPORT (UN-AUDITED)

**FOR THE PERIOD ENDED
MARCH 31, 2009**

VISION

Our vision is to build a future wherein the Pace Group is a household name across the country and is known worldwide for development and marketing of a fine living as well as shopping environment with highest quality and unmatched value-for-money.

OUR PRINCIPLES

We are a Real Estate Development Company committed to achieving the highest industry standards and personal integrity in dealing with our customers, clients, professionals, employees, and the communities we work in.

MISSION STATEMENT

Formed in 1992, Pace Pakistan's principal mandate is to acquire, develop, sale and manage real estate assets located in major urban environments where real estate demands have increased sharply due to lifestyle changes.

This increased demand together with the real estate expertise from Pace defines the vision and the road map for the company's future. Pace has and will continue to pursue residential, commercial and mixed-use transactions based on these principles with always an eye on strong community relations and integrity.

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COMPANY INFORMATION

Board of Directors	Sheikh Sulieman Ahmed Said Al-Hoqani (Chairman) Salmaan Taseer (Chief Executive Officer) Aamna Taseer Shahbaz Ali Taseer Abid Raza Jamal Said Al-Ojaili Mahmood Ali Athar Imran Saeed Chaudhry
Chief Financial Officer	Ahmad Bilal
Audit Committee	Aamna Taseer (Chairperson) Shahbaz Ali Taseer Abid Raza
Company Secretary	Imran Bashir
Auditors	A.F. Ferguson & Co. Chartered Accountants
Legal Advisers	Imtiaz Siddiqui & Associates Advocates and Attorneys
Bankers	Allied Bank Limited Arif Habib Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Emirates Global Islamic Bank Limited Faysal Bank Limited Habib Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab The Hongkong and Shanghai Banking Corporation Limited The Royal Bank of Scotland
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building- 3 Dr. Ziauddin Ahmed Road, Karachi ☎ (021) 111 000 322
Registered Office/Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920

DIRECTORS' REPORT

The Directors of Pace (Pakistan) Limited ("the Company or "Pace") take pleasure in presenting to its shareholders the un-audited financial statements of the Company for the period ended March 31, 2009.

Operating Results

The comparison of the un-audited results for the quarter and nine months ended March 31, 2009 with the respective corresponding periods is as under:

	Rupees in '000'			
	For the 3rd Quarter		Cumulative	
	Jan-Mar 2009	Jan-Mar 2008	Jul-Mar 2009	Jul-Mar 2008
Gross Profit	18,918	47,279	155,988	56,222
Increase in fair value of investment property	145,308	182,024	775,313	355,214
Other operating income	30,986	82,560	121,897	148,193
Net Profit before tax	63,027	145,394	405,629	271,485
Earnings per share (PKR)	0.29	0.68	1.86	1.33
Earnings per share - Diluted (PKR)	0.26	-	1.45	-

Gross and net profits for the third quarter have shown a decline as compare to the same period last year, however cumulative results for the nine months of the current financial year have shown considerable increase as compare to the same period last year. Increase in profits is primarily attributable to revenue against the sale of properties in, Pace shopping mall located at 124 E-Gulberg, Pace Towers and Barki road land. This reflects extended investing activities and revenue enhancement strategies successfully applied by the management. During the period under review, full commercial operations for Gujrat and Fortress shopping malls have been formally inaugurated in the month of November 2008.

During the quarter, the company also received conversion notice from the holder of its 'foreign currency convertible bonds' amounting to USD 1.25 million for conversion in to the ordinary shares of the company, bonds were duly converted in to the ordinary shares of the company at a price of PKR 19.24 per share.

Keeping in view the challenging business environment owing to global recession, bearish trend in real estate industry and inflationary pressures, management of your Company is constantly reviewing and changing its business policies and strategies in order to cope with competitive current business dynamics. Under the circumstances, the management is concentrating on completion of current projects in hand to retain its present position of market leader rather than pursuing its aggressive expansion plans.

During the period the Board appointed Mr. Shahbaz Ali Taseer as Director of the Company in place of Mr. Sardar Ali Wattoo, outgoing director.

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their continued support and to all the employees for their ongoing dedication and commitment to the Company.

For and on behalf of the Board of Directors

Lahore
April 28, 2009

Salmaan Taseer
Chief Executive Officer

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PACE (PAKISTAN) LIMITED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009

	Note	(Un-Audited)	(Audited)
		March 31, 2009	June 30, 2008
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
600,000,000 (June 2008: 600,000,000) ordinary shares of Rs 10 each		6,000,000	6,000,000
Issued, subscribed and paid up capital			
224,536,489 (June 2008: 220,465,538) ordinary shares of Rs 10 each		2,245,365	2,204,656
Share deposit money		-	882
Reserves		132,684	117,254
Unappropriated profit		2,670,585	2,237,914
		5,048,634	4,560,706
NON-CURRENT LIABILITIES			
Long term finances - secured	5	-	11,051
Redeemable capital - secured (non-participatory)	6	1,498,800	1,499,400
Liabilities against assets subject to finance lease		3,717	9,001
Deferred liabilities		110,061	108,923
Advances against sale of property		57,382	330,424
		1,669,960	1,958,799
CURRENT LIABILITIES			
Current portion of long term liabilities		31,116	44,843
Foreign currency convertible bonds - unsecured	7	2,053,585	1,758,565
Creditors, accrued and other liabilities		156,341	238,209
		2,241,042	2,041,617
CONTINGENCIES AND COMMITMENTS			
	8	8,959,636	8,561,122

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

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PACE (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2009

	Quarter ended		Nine months ended	
	March 31,	March 31,	March 31,	March 31,
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Sales	123,683	107,288	594,211	201,193
Cost of sales	(104,765)	(60,009)	(438,223)	(144,971)
Gross profit	18,918	47,279	155,988	56,222
Administrative and selling expenses	(24,955)	(28,127)	(89,243)	(77,295)
Changes in fair value of investment property	145,308	182,024	775,313	355,214
Other operating income	30,986	82,560	121,897	148,193
Other operating expenses	(15,908)	(53,605)	(292,312)	(66,627)
Profit from operations	154,349	230,131	671,643	415,707
Finance costs	(91,322)	(84,737)	(266,014)	(144,222)
Profit before tax	63,027	145,394	405,629	271,485
Taxation	1,000	3,723	5,000	21,252
Profit for the period	64,027	149,117	410,629	292,737
Earnings per share attributable to				
ordinary shareholders				
- basic earnings per share	Rupees 0.29	0.68	1.86	1.33
- diluted earnings per share	Rupees 0.26		1.45	

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

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ASSETS	Note	(Un-Audited)	(Audited)
		March 31, 2009	June 30, 2008
(Rupees in thousand)			
NON-CURRENT ASSETS			
Property, plant and equipment	9	449,556	434,385
Intangible assets		10,099	10,543
Assets subject to finance lease		17,258	18,385
Capital work in progress		66,170	47,603
Investment property		4,266,038	3,580,870
Investments	10	600,238	600,248
Long term advances and deposits		29,390	29,879
Long term loans - unsecured	11	142,003	142,003
		5,580,752	4,863,916
CURRENT ASSETS			
Stock-in-trade		1,289,381	1,189,809
Trade debts - unsecured		928,519	974,764
Due from related parties - unsecured	12	127,360	132,975
Advance against purchase of property - unsecured		171,776	5,000
Advances, deposits, prepayments and other receivables		149,248	79,778
Cash and bank balances		712,600	1,314,880
		3,378,884	3,697,206
		8,959,636	8,561,122

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**PACE (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

	Note	Nine months ended	
		March 31, 2009 (Rupees in thousand)	March 31, 2008
Cash flows from operating activities			
Cash used in operations	15	(98,677)	(1,116,375)
Net (decrease)/increase in advances against sale of property		(273,042)	67,140
Finance costs paid		(226,893)	(101,596)
Gratuity and leave encashment paid		(2,505)	(926)
Taxes paid		(10,470)	(7,584)
Net cash used in operating activities		(611,587)	(1,159,341)
Cash flows from investing activities			
Purchase of property, plant and equipment		(24,444)	(112,217)
Additions in investment property		(11,064)	(19,314)
Investment made during the period		-	(1,000,000)
Proceeds from sale of property, plant and equipment		495	45
Decrease/(increase) in long term advances and deposits		489	(108)
Disbursement of loans to subsidiaries		-	(10,607)
Markup received		76,699	92,330
Net cash from/(used in) investing activities		42,175	(1,049,871)
Cash flows from financing activities			
Surrender of share deposit money to Securities and Exchange Commission of Pakistan (SECP)		(665)	(14)
Proceeds from issue of redeemable capital		-	1,500,000
Repayment of redeemable capital		(600)	-
Proceeds from issue of commercial papers		-	1,000,000
Proceeds from issue of foreign currency convertible bonds		-	1,559,500
Repayment of long term finances		(26,126)	(102,052)
(Repayment)/availment of finance lease liabilities		(5,477)	6,637
Net cash (used in)/from financing activities		(32,868)	3,964,071
Net (decrease)/increase in cash and cash equivalents		(602,280)	1,754,859
Cash and cash equivalents at beginning of the period		1,314,880	307,943
Cash and cash equivalents at the end of the period		712,600	2,062,802

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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**PACE (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

	Share Capital	Share deposit money	Share Premium	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Un-appropriated profit	Total
Balance as on June 30, 2007	2,204,650	1,260	1,002	116,244	20,916	830,944	3,175,016
Gain in fair value of investments	-	-	-	-	11,969	-	11,969
Share deposit money surrendered to SECP	-	(14)	-	-	-	-	(14)
Profit for the period	-	-	-	-	-	292,737	292,737
Balance as on March 31, 2008	2,204,650	1,246	1,002	116,244	32,885	1,123,681	3,479,708
Issue of ordinary shares	5	(7)	2	-	-	-	-
Bonus shares issued during the year	1	-	(1)	-	-	-	-
Transferred to profit and loss account on disposal of shares in Worldcall Telecom Limited	-	-	-	-	(20,906)	-	(20,906)
Loss in fair value of investment	-	-	-	-	(11,972)	-	(11,972)
Share deposit money surrendered to SECP	-	(357)	-	-	-	-	(357)
Profit for the period	-	-	-	-	-	1,114,233	1,114,233
Balance as on June 30, 2008	2,204,656	882	1,003	116,244	7	2,237,914	4,560,706
Issue of ordinary shares	40,682	(217)	37,509	-	-	-	77,974
Bonus shares issued during the year	27	-	(27)	-	-	-	-
Loss in fair value of investment	-	-	-	-	(10)	-	(10)
Share deposit money surrendered to SECP	-	(665)	-	-	-	-	(665)
Transferred to retained earning on disposal of investment property	-	-	-	(22,042)	-	22,042	-
Profit for the period	-	-	-	-	-	410,629	410,629
Balance as on March 31, 2009	2,245,365	-	38,485	94,202	(3)	2,670,585	5,048,634

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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PACE (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH
31, 2009 (UN-AUDITED)

1. The Company and its operations

Pace (Pakistan) Limited (the Company) is a public limited Company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2008.

4. Taxation

The provision for taxation for the Nine months ended March 31, 2009 has been made on an estimated basis.

5. Long term finances - secured

	March 31, 2009 (Rupees in thousand)	June 30, 2008
Opening balance as at July 01	48,658	154,500
Less: Repayment during the period/year	<u>26,126</u>	<u>105,842</u>
	22,532	48,658
Less: Current portion shown under current liabilities	<u>22,532</u>	<u>37,607</u>
	<u>-</u>	<u>11,051</u>

6. Redeemable capital - secured (non-participatory)

	March 31, 2009	June 30, 2008
Opening balance as at July 01	1,500,000	-
Add: Disbursement during the period/year	<u>-</u>	<u>1,500,000</u>
	1,500,000	1,500,000
Less: Redeemed during the period/year	<u>600</u>	<u>-</u>
	1,499,400	1,500,000
Less: Current portion shown under current liabilities	<u>600</u>	<u>600</u>
	<u>1,498,800</u>	<u>1,499,400</u>

March
31, 2009
(Rupees in thousand)

June
30, 2008

7. Foreign currency convertible bonds - unsecured

Opening balance as at July 01	1,758,565	-
Issued during the period/year	-	1,559,500
Markup accrued for the period/year	<u>100,735</u>	<u>53,565</u>
	1,859,300	1,613,065
Markup paid during the period/year	<u>(19,812)</u>	<u>-</u>
Conversion into ordinary share capital	<u>(77,975)</u>	<u>-</u>
Exchange loss for the period/year	<u>292,072</u>	<u>145,500</u>
	<u>2,053,585</u>	<u>1,758,565</u>

8. Contingencies and commitments

8.1 Contingencies

There has been no material change in contingencies since last audited financial statements.

8.2 Commitments

Letters of credit for capital expenditure amounting to Nil (June 2008: Rs 3.161 million).

March
31, 2009
(Rupees in thousand)

June
30, 2008

9. Property, plant and equipment

Opening book value	434,385	245,759
Add: Additions during the period/year	-	209,543
Less: Transfers to stock-in-trade	<u>(2,232)</u>	<u>-</u>
	474,667	455,302
Less: Disposals during the period/year (at book value)	<u>363</u>	<u>2,639</u>
Less: Depreciation charged during the period/year	<u>24,748</u>	<u>18,278</u>
	25,111	20,917
Closing book value	<u>449,556</u>	<u>434,385</u>

9.1 Following is the detail of additions during the period/year

Freehold land	-	3,380
Buildings on freehold land	18,827	39,536
Buildings on leasehold land	912	134,225
Plant and machinery	8,489	4,828
Electrical equipment	12,798	11,827
Office equipment and appliances	20	231
Furniture and fixtures	602	6,787
Computers	646	4,183
Vehicles	220	4,546
	<u>42,514</u>	<u>209,543</u>

	March 31, 2009 (Rupees in thousand)	June 30, 2008
10. Investments		
Equity instruments of:		
- subsidiaries - unquoted - note 10.1	55	55
- associated undertakings - unquoted - note 10.2	600,180	600,180
Available for sale - quoted - note 10.3	3	13
	<u>600,238</u>	<u>600,248</u>
10.1 Subsidiaries - unquoted		
Pace Woodlands (Private) Limited 3,000 (June 2008: 3,000) fully paid ordinary shares of Rs 10 each	30	30
Pace Gujrat (Private) Limited 2,450 (June 2008: 2,450) fully paid ordinary shares of Rs 10 each	25	25
	<u>55</u>	<u>55</u>
10.2 Associated undertakings - unquoted		
Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each	600,000	600,000
Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each	180	180
	<u>600,180</u>	<u>600,180</u>
10.3 Available for sale - quoted		
At cost	6	6
Add: Cumulative fair value (loss)/gain - note 10.3.1	(3)	7
	<u>3</u>	<u>13</u>
10.3.1 Cumulative fair value gain		
As at July 1	7	20,916
Fair value loss during the period/year	(10)	(3)
Transfer to profit and loss account	-	(20,906)
	<u>(3)</u>	<u>7</u>
11. Long term loans - unsecured		
These represent loans given to the following related parties:		
Subsidiaries		
Pace Woodlands (Private) Limited	100,900	100,900
Associated undertaking		
Media Times Limited	41,103	41,103
	<u>142,003</u>	<u>142,003</u>
12. Due from related parties - unsecured		
Subsidiaries		
Pace Woodlands (Private) Limited	71,654	91,420
Pace Gujrat (Private) Limited	39,434	41,555
Associated undertaking		
Pace Barka Properties Limited	16,272	-
	<u>127,360</u>	<u>132,975</u>

		Nine months ended	
		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
13. Transactions with related parties			
Relationship with the Company	Nature of transaction		
i. Subsidiaries	Loans Disbursed	-	20,612
	Loan Received back	-	10,000
	Short term advances given	14,488	17,509
	Purchase of goods & services	20,400	-
	Short term advances received back	48,807	10,112
	Mark up income	27,832	29,241
ii. Associates	Purchase of goods & services	142,326	81,334
	Advance against purchase of property	9,855	-
	Mark up income	5,363	5,854
	Guarantee commission	3,375	3,375
	Sales of goods and services	49,395	52,565
	Short term advances given	15,620	45,108
	Short term advances Received back	581	25,199
iii. Key management personnel	Short term employee benefits	7,499	5,525
		March 31, 2009	June 30, 2008
		(Rupees in thousand)	
Period end balances			
	Long term loans to related parties	142,003	142,003
	Receivable from related parties	684,390	597,445
	Payable to related parties	66,445	51,643

(Rupees in thousand)

	Real estate				Investment properties				Others				Total			
	Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
14. Segment results	103,183	89,000	533,691	157,270	20,500	16,412	57,832	40,153	-	1,876	2,688	3,770	123,683	107,288	594,211	201,193
Segment revenue	(93,480)	(47,113)	(398,880)	(110,434)	-	-	-	-	-	(807)	(1,378)	(1,690)	(93,480)	(47,920)	(400,258)	(112,124)
Segment expenses	-	-	-	-	(11,285)	(11,557)	(37,211)	(31,299)	-	(532)	(754)	(1,548)	(11,285)	(12,089)	(37,965)	(32,847)
- Cost of sales	9,703	41,887	134,811	46,836	9,215	4,855	20,621	8,854	-	537	556	532	18,918	47,279	155,988	56,222
- Stores operating expenses	-	-	-	-	145,308	182,024	775,313	355,214	-	-	-	-	145,308	182,024	775,313	355,214
Gross profit	9,703	41,887	134,811	46,836	154,523	186,879	795,934	364,068	-	537	556	532	164,226	229,303	931,301	411,436
- Changes in fair value of investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment results	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative and selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	63,027	145,394	405,629	271,485	1,000	3,723	5,000	21,252	-	-	-	-	64,027	149,117	410,629	292,737
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	63,027	145,394	405,629	271,485	1,000	3,723	5,000	21,252	-	-	-	-	64,027	149,117	410,629	292,737

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15. Cash used in operations

	Nine months ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Profit before tax	405,629	271,485
Adjustments for:		
- Depreciation on property, plant and equipment	24,748	12,389
- Depreciation on assets subject to finance lease	2,663	2,482
- Amortisation on intangible assets	444	96
- (Gain)/loss on sale of property, plant and equipment	(132)	4
- Markup Income	(104,638)	(146,858)
- Changes in fair value of investment property	(775,313)	(355,214)
- Finance costs	266,014	144,222
- Liabilities written back	-	(1,335)
- Exchange loss on Foreign Currency Convertible Bonds	292,072	6,750
- Provision for gratuity and leave encashment	8,643	6,678
Profit/(loss) before working capital changes	120,130	(59,301)
Effect on cash flow due to working capital changes		
- Increase in stock-in-trade	(7,572)	(778,405)
- Decrease in trade debts	37,585	(31,809)
- Decrease/(increase) in due from related parties	18,154	(27,678)
- Increase in advance against purchase of property	(171,776)	(86,788)
- Increase in advances, deposits prepayments and other receivables	(59,000)	(83,999)
- Decrease in creditors, accrued and other liabilities	(36,198)	(48,395)
	(218,807)	(1,057,074)
	(98,677)	(1,116,375)

16. Date of authorization for issue

This condensed interim financial statements was authorised for issue on April 28, 2009 by the Board of Directors of the Company.

17. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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PACE GROUP

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
(UN-AUDITED)**

**FOR THE PERIOD ENDED
MARCH 31, 2009**

DIRECTORS' REPORT

The Board of Directors of Pace (Pakistan) Limited is pleased to present unaudited consolidated financial statements of the group for the nine months ended March 31, 2009.

Financial overview

Following are the comparative financial results for the nine months and quarter ended March 31, 2009 with the respective corresponding periods.

	Rupees in '000'			
	For the 3rd Quarter		Cumulative	
	Jan-Mar 2009	Jan-Mar 2008	Jul-Mar 2009	Jul-Mar 2008
Gross Profit	18,918	47,279	155,988	56,204
Increase in fair value of investment property	145,308	182,024	775,313	355,214
Other operating income	23,583	72,078	99,768	117,970
Net Profit before tax	59,439	134,912	407,465	241,244
Earnings per share (PKR)	0.26	0.63	1.83	1.19
Earnings per share - Diluted (PKR)	0.25	-	1.43	-

Gross and net profits for the third quarter have shown a decline as compare to the same period last year, however cumulative results for the nine months of the current financial year have shown considerable increase as compare to the same period last year. Increase in profits is attributable to the recording of new sales and gains due to the changes in the fair value of the company's investment properties. Company wise latest update in respect of subsidiaries is as under:

Pace Woodlands (Pvt.) Limited

The housing project is located on Bedian Road, Lahore Cantonment near Defense Housing Authority. Gray structure of the houses is almost complete whereas land development activities are also under way. Soft launch of the project regarding sales have been initiated successfully and advance booking for the first lot of houses is almost achieved.

Pace Gujrat (Pvt.) Limited

Pace Gujrat Limited was incorporated as Private Limited Company in July 2005, after the complete sale of its shopping mall project and open land the company is identifying / working on new ventures to be executed.

For and on behalf of the Board of Directors

Lahore
April 28, 2009

Salmaan Taseer
Chief Executive Officer

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PACE GROUP CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009

	Note	(Un-Audited) March 31, 2009	(Audited) June 30, 2008
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
600,000,000 (June 2008: 600,000,000) ordinary shares of Rs 10 each		<u>6,000,000</u>	<u>6,000,000</u>
Issued, subscribed and paid up capital			
224,536,489 (June 2008: 220,465,538) ordinary shares of Rs 10 each		2,245,365	2,204,656
Share deposit money		-	882
Reserves		132,684	117,254
Unappropriated profit		<u>2,548,193</u>	<u>2,122,322</u>
		<u>4,926,242</u>	<u>4,445,114</u>
MINORITY INTEREST			
		<u>27</u>	<u>27</u>
		<u>4,926,269</u>	<u>4,445,141</u>
NON-CURRENT LIABILITIES			
Long term finances			
- secured	5	42,000	78,926
- unsecured		218,980	186,730
Redeemable capital - secured (non-participatory)	6	1,498,800	1,499,400
Liabilities against assets subject to finance lease		3,717	9,001
Deferred liabilities		110,061	108,923
Advances against sale of property		<u>99,329</u>	<u>330,424</u>
		<u>1,972,887</u>	<u>2,213,404</u>
CURRENT LIABILITIES			
Current portion of long term liabilities		73,116	60,968
Foreign currency convertible bonds - unsecured	7	2,053,585	1,758,565
Finances under mark-up arrangements		35,011	30,284
Creditors, accrued and other liabilities		227,719	302,838
Taxation		<u>4,885</u>	<u>3,719</u>
		<u>2,394,316</u>	<u>2,156,374</u>
CONTINGENCIES AND COMMITMENTS			
	8		
		<u>9,293,472</u>	<u>8,814,919</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

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ASSETS	Note	(Un-Audited)	(Audited)
		March 31, 2009	June 30, 2008
(Rupees in thousand)			
NON-CURRENT ASSETS			
Property, plant and equipment	9	449,556	434,385
Intangible assets		10,099	10,543
Assets subject to finance lease		17,258	18,385
Capital work in progress		99,064	80,497
Investment property		4,264,419	3,580,870
Investments	10	616,681	600,193
Long term advances and deposits		29,390	29,879
Long term loans - unsecured	11	80,074	80,074
		<u>5,566,541</u>	<u>4,834,826</u>
CURRENT ASSETS			
Stock-in-trade		1,687,843	1,548,449
Trade debts - unsecured		928,519	974,764
Due from related parties - unsecured	12	29,499	6,959
Advance against purchase of property - unsecured		171,776	-
Advances, deposits, prepayments and other receivables		196,517	128,187
Cash and bank balances		712,777	1,321,734
		<u>3,726,931</u>	<u>3,980,093</u>
		<u>9,293,472</u>	<u>8,814,919</u>

DIRECTOR

PACE GROUP
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2009

	Quarter ended		Nine months ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
(Rupees in thousand)				
Sales	123,683	107,288	594,211	201,175
Cost of sales	(104,765)	(60,009)	(438,223)	(144,971)
Gross profit	18,918	47,279	155,988	56,204
Administrative and selling expenses	(24,955)	(28,127)	(89,245)	(77,295)
Changes in fair value of investment property	145,308	182,024	775,313	355,214
Other operating income	23,583	72,078	99,768	117,970
Other operating expenses	(15,908)	(53,605)	(292,312)	(66,627)
Profit from operations	146,946	219,649	649,512	385,466
Finance costs	(91,322)	(84,737)	(266,014)	(144,222)
Share of profit of associates	3,815	-	23,967	-
Profit before tax	59,439	134,912	407,465	241,244
Taxation				
- Group	400	3,723	3,833	21,252
- Associates	(1,189)	-	(7,469)	-
Profit for the period	58,650	138,635	403,829	262,496
Earnings per share attributable to ordinary shareholders				
- basic earnings per share	Rupees 0.26	0.63	1.83	1.19
- diluted earnings per share	Rupees 0.25		1.43	

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

**PACE GROUP
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

	Nine months ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Cash flows from operating activities		
Cash used in operations	15	(127,103)
Net (decrease)/ increase in advances against sale of property		(231,095)
Finance costs paid		(265,404)
Gratuity and leave encashment paid		(2,505)
Taxes paid		(10,486)
Net cash used in operating activities		(636,593)
Cash flows from investing activities		
Purchase of property, plant and equipment		(24,444)
Additions in investment property		(29,845)
Investment made during the period		-
Proceeds from sale of property, plant and equipment		495
Decrease/ (increase) in long term advances and deposits		489
Markup received		76,832
Net cash from/(used in) investing activities		23,527
Cash flows from financing activities		
Surrender of share deposit money to SECP		(665)
Proceeds from long term finances		32,250
Proceeds from issue of redeemable capital		-
Proceeds from issue of commercial papers		-
Proceeds from foreign currency convertible bonds		-
Repayment of redeemable capital		(600)
Repayment of long term finances		(26,126)
(repayment)/availment of finance lease liabilities		(5,477)
Net cash (used in)/flow from financing activities		(618)
Net (decrease)/increase in cash and cash equivalents		(613,684)
Cash and cash equivalents at beginning of the period		1,291,450
Cash and cash equivalents at the end of the period	16	677,766

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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**PACE GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2009**

	(Rupees in thousand)						
	Share Capital	Share deposit money	Share Premium	Revaluation reserve for investment property	Reserve for changes in fair value of investments	Un-appropriated profit	Minority equity
Balance as on June 30, 2007	2,204,650	1,260	1,002	116,244	20,916	738,337	27
Gain on fair value of investment	-	-	-	-	11,969	-	-
Surrendered to SECP	-	(14)	-	-	-	(14)	-
Profit for the period	-	-	-	-	-	262,496	-
Balance as on March 31, 2008	2,204,650	1,246	1,002	116,244	32,885	1,000,833	27
Issue of ordinary shares	5	(7)	2	-	-	-	-
Bonus shares issued during the year	1	-	(1)	-	-	-	-
Transferred to profit and loss account on disposal of shares in Worldcall Telecom Limited	-	-	-	-	(20,906)	(20,906)	-
Loss in fair value of investment	-	-	-	-	(11,972)	(11,972)	-
Share deposit money surrendered to SECP	-	(357)	-	-	-	(357)	-
Profit for the period	-	-	-	-	-	1,121,489	-
Balance as on June 30, 2008	2,204,656	882	1,003	116,244	7	2,122,322	27
Issue of ordinary shares	40,682	(217)	37,509	-	-	-	-
Bonus shares issued during the year	27	-	(27)	-	-	-	-
Loss in fair value of investment	-	-	-	-	(10)	-	-
Share deposit money surrendered to SECP	-	(665)	-	-	-	(665)	-
Transferred to retained earning on disposal of investment property	-	-	-	(22,042)	-	22,042	-
Profit for the period	-	-	-	-	-	403,829	-
Balance as on March 31, 2009	2,245,365	-	38,485	94,202	(3)	2,548,193	27
						4,926,242	4,926,269

The annexed notes 1 to 19 form an integral part of this condensed interim financial statements.

LAHORE

CHIEF EXECUTIVE

DIRECTOR

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PACE GROUP
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE
MONTHS ENDED MARCH 31, 2009 (UN-AUDITED)

1. Legal status and nature of business

1.1 Constitution and ownership

The consolidated condensed financial statements of the Pace (Pakistan) Group comprise of the financial statements of:

Pace (Pakistan) Limited

Pace (Pakistan) Limited (the "holding company") is a public limited company incorporated in Pakistan and listed on Karachi and Lahore Stock Exchanges. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc. It is a wholly owned company of Pace (Pakistan) Limited. The subsidiary commenced its operations in March, 2008. By virtue of resolution passed by the shareholders on 29 April, 2008, the subsidiary has sold its total land measuring 15 kanal and 8 marlas, out of which 9 kanal and 8 marlas have been sold to Pace Barka Properties Limited and 6 kanals have been sold to Pace (Pakistan) Limited.

Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited company under Companies Ordinance, 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

1.2 Activities of the group

The object of the group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting.

3. Significant accounting policies

The accounting policies adopted for the preparation of this consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended June 30, 2008.

4. Taxation

The provision for taxation for the nine months ended March 31, 2009 has been made on an estimated basis.

	March 31, 2009	June 30, 2008
	(Rupees in thousand)	
5. Long term finances - secured		
Opening balance as at July 01	132,658	214,500
Add: Disbursement during the period/year	<u>-</u>	<u>84,000</u>
	132,658	298,500
Less: Repayment during the period/year	<u>26,126</u>	<u>165,842</u>
	106,532	132,658
Less: Current portion shown under current liabilities	<u>64,532</u>	<u>53,732</u>
	<u>42,000</u>	<u>78,926</u>
6. Redeemable capital - secured (non-participatory)		
Opening balance as at July 01	1,500,000	-
Add: Disbursement during the period/year	<u>-</u>	<u>1,500,000</u>
	1,500,000	1,500,000
Less: Redeemed during the period/year	<u>600</u>	<u>-</u>
	1,499,400	1,500,000
Less: Current portion shown under current liabilities	<u>600</u>	<u>600</u>
	<u>1,498,800</u>	<u>1,499,400</u>
7. Foreign currency convertible bonds - unsecured		
Opening balance as at July 01	1,758,565	-
Issued during the period/year	-	1,559,500
Markup accrued for the period/year	<u>100,735</u>	<u>53,565</u>
	1,859,300	1,613,065
Markup paid during the period/year	<u>(19,812)</u>	<u>-</u>
Convert into ordinary shares	<u>(77,975)</u>	<u>-</u>
Exchange loss for the period/year	<u>292,072</u>	<u>145,500</u>
	<u>2,053,585</u>	<u>1,758,565</u>
8. Contingencies and commitments		
8.1 Contingencies		
There has been no material change in contingencies since last audited financial statements.		
8.2 Commitments		
Letters of credit for capital expenditure amounting to Rs Nil (June 2008: Rs 3.161 million).		

	March 31, 2009 (Rupees in thousand)	June 30, 2008
9. Property, plant and equipment		
Opening book value	434,385	245,759
Add: Additions during the period/year - note 9.1	42,514	209,543
Less: Transfers to stock-in-trade	(2,232)	-
	<u>474,667</u>	<u>455,302</u>
Less: Disposals during the period/year (at book value)	<u>363</u>	<u>2,639</u>
Less: Depreciation charged during the period/year	<u>24,748</u>	<u>18,278</u>
	<u>25,111</u>	<u>20,917</u>
Closing book value	<u>449,556</u>	<u>434,385</u>

9.1 Following is the detail of additions during the period/year

Freehold land	-	3,380
Buildings on freehold land	18,827	39,536
Buildings on leasehold land	912	134,225
Plant and machinery	8,489	4,828
Electrical equipment	12,798	11,827
Office equipment and appliances	20	231
Furniture and fixtures	602	6,787
Computers	646	4,183
Vehicles	220	4,546
	<u>42,514</u>	<u>209,543</u>

10. Investments

Equity instruments of:		
- associated undertakings - unquoted - note 10.1	616,678	600,180
Available for sale - quoted - note 10.2	3	13
	<u>616,681</u>	<u>600,193</u>

10.1 Associated undertakings - unquoted

Cost		
Pace Barka Properties Limited 60,000,000 (June 2008: 60,000,000) fully paid ordinary shares of Rs 10 each	600,000	600,000
Pace Super Mall (Private) Limited 18,000 (June 2008: 18,000) fully paid ordinary shares of Rs 10 each	180	180
	<u>600,180</u>	<u>600,180</u>

Share of movement in reserves during the period

Share of profit for the period		
- before taxation	23,967	-
- provision for taxation	(7,469)	-
	<u>16,498</u>	<u>-</u>
	<u>616,678</u>	<u>600,180</u>

10.2 Available for sale - quoted

At cost	6	6
Add: Cumulative fair value (loss)/ gain - note 10.2.1	(3)	7
	<u>3</u>	<u>13</u>

10.2.1 Cumulative fair value (loss)/gain

As at July 1	7	20,916
Fair value loss during the period	(10)	(3)
Transfer to profit and loss account	-	(20,906)
	<u>(3)</u>	<u>7</u>

11. Long term loans - unsecured

These represent loans given to the following related parties:

	March 31, 2009 (Rupees in thousand)	March 31, 2008
Associated undertaking		
Pace Super Mall (Private) Limited	38,971	38,971
Media Times Limited	41,103	41,103
	<u>80,074</u>	<u>80,074</u>

12. Due from related parties - unsecured

Associated Undertakings		
Pace Super Mall (Private) Limited	13,227	6,959
Pace Barka Properties Limited	16,272	-
	<u>29,499</u>	<u>6,959</u>

13. Related party transactions

		Nine months ended	
		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
Relationship with the Company	Nature of transaction		

i. Associates	Purchase of goods & services	142,326	126,367
	Loans received	16,000	25,000
	Loan Paid Back	-	12,000
	Mark up income	11,632	11,025
	Mark up expenses	25,103	17,295
	Guarantee commission	3,375	3,375
	Sales of goods and services	49,395	52,565
	Short term advances given	15,620	45,108
	Short term advances received back	581	25,199
	Advance against sale of property	-	30,000
ii. Key management personnel	Short term employee benefits	7,499	5,525

		March 31, 2009 (Rupees in thousand)	June 30, 2008
Period end balances			

Long term loans to related parties	80,074	80,074
Receivable from related parties	621,582	501,478
Payable to related parties	285,952	246,267

14. Segment results

(Rupees in thousand)

	Real estate			Investment properties			Others			Total					
	Nine months ended		Quarter ended	Nine months ended		Quarter ended	Nine months ended		Quarter ended	Nine months ended		Quarter ended			
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2008			
Segment revenue	103,183	89,000	533,691	157,252	20,500	16,412	57,832	40,153	1,876	2,688	3,770	123,683	107,288	594,211	201,175
Segment expenses															
- Cost of sales	(93,480)	(47,113)	(398,880)	(110,434)	-	-	-	-	(807)	(1,378)	(1,690)	(93,480)	(47,920)	(400,258)	(112,124)
- Stores operating expenses	-	-	-	-	(11,285)	(11,557)	(37,211)	(31,299)	(532)	(754)	(1,548)	(11,285)	(12,089)	(37,965)	(32,847)
Gross profit	9,703	41,887	134,811	46,818	9,215	4,855	20,621	8,854	537	556	532	18,918	47,279	155,988	56,204
- Changes in fair value of investment property	-	-	-	-	145,308	182,024	775,313	355,214	-	-	-	145,308	182,024	775,313	355,214
Segment results	9,703	41,887	134,811	46,818	154,523	186,879	795,934	364,068	537	556	532	164,226	229,303	931,301	411,418
Administrative and selling expenses												(24,955)	(28,127)	(89,245)	(77,295)
Other operating income												23,563	72,078	99,768	117,970
Finance costs												(91,322)	(84,737)	(266,014)	(144,222)
Other operating expenses												(15,908)	(53,605)	(292,312)	(66,627)
Share of (loss) / profit of associates												3,815	-	23,967	-
Profit before tax												59,439	134,912	407,465	241,244
Taxation												400	3,723	3,833	21,252
- Group												(1,188)	-	(7,469)	-
- Associates												58,650	138,635	403,829	262,496
Profit for the period												58,650	138,635	403,829	262,496

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15. Cash used in operations

	Nine months ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Profit before tax	407,465	241,244
Adjustments for:		
- Depreciation on property, plant and equipment	24,748	12,389
- Depreciation on assets subject to finance lease	2,663	2,482
- Amortisation on intangible assets	444	96
- (Gain)/loss on sale of property, plant and equipment	(132)	4
- Markup Income	(83,209)	(116,635)
- Changes in fair value of investment property	(775,313)	(355,214)
- Finance costs	266,014	144,222
- Liabilities written back	-	(1,335)
- Exchange loss on foreign currency convertible bonds	292,072	6,750
- Share of profit of associate	(23,967)	-
- Provision for gratuity and leave encashment	8,643	6,678
Profit before working capital changes	119,428	(59,319)
Effect on cash flow due to working capital changes		
- Decrease/(increase) in stock-in-trade	108	(880,742)
- Decrease in trade debts	37,585	(31,809)
- Increase in due from related parties	(16,163)	(26,268)
- Increase in advance against purchase of property	(171,776)	(59,088)
- Increase in advances, deposits prepayments and other receivables	(57,846)	(111,629)
- Decrease in creditors, accrued and other liabilities	(38,439)	(3,756)
	(246,531)	(1,113,292)
	(127,103)	(1,172,611)

16. Cash and cash equivalents

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Cash and bank balances	712,777	2,064,189
Finances under mark-up arrangements - secured	(35,011)	(35,728)
	677,766	2,028,461

17. Detail of subsidiaries

Name of the subsidiaries	Accounting period end	percentage of holding	country of incorporation
Pace Woodlands (Pvt) Limited	31-Mar-09	52%	Pakistan
Pace Gujrat (Pvt) Limited	31-Mar-09	100%	Pakistan

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18. Date of authorization for issue

This consolidated condensed interim financial statements was authorised for issue on April 28, 2009 by the Board of Directors of the Parent Company.

19. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.